

The requirement that Form NUC-1, Illinois Business Registration, be signed by an individual who will be responsible for filing returns and payment of taxes due (Question 14 of Section 2) stems from Section 2a of the Retailers' Occupation Tax Act. The provision ensures that the Department be able to identify those persons who are responsible for filing returns and paying taxes. By signing Form NUC-1, these persons do not become personal guarantors of a corporation's tax liability under all circumstances. It is only if those persons are found to have willfully failed to file returns or pay taxes that they can be held personally liable for amounts equal to the tax plus penalties and interest. (This is a GIL).

May 6, 1999

Dear Mr. Xxxxx:

This letter is in response to your letter dated March 10, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Recently, I spoke with the Illinois Department of Revenue concerning the above referenced application, specifically question #14 thereof, regarding an individual accepting personal responsibility for a corporation's filing of tax returns and payment of taxes due (the 'Provision'). During my conversation with the Department of Revenue, I was informed that matters relating to the Provision of Form NUC-1 have been frequently litigated in the state of Illinois, and that your Bureau has issued an advisory opinion outlining its interpretation of the Provision.

As a result, I respectfully request that you forward to my attention a copy of that opinion, along with any other relevant information that you may provide that would aid in interpreting and understanding the Provision and the level of personal liability that is associated therewith.

I greatly appreciate your prompt response to this matter.

Question 14 of Section 2 of Form NUC-1, Illinois Business Registration, is based upon Section 2a of the Retailers' Occupation Tax Act, 35 ILCS 120/2a, which provides in part that "[t]he application shall contain an acceptance of responsibility signed by the person or persons who will be responsible for filing returns and payment of taxes due under this Act."

The language of Question 14 is not meant to expand the personal liability of certain corporate officers or employees of a corporation who have the control, supervision, or responsibility for filing returns and making payment of taxes on

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behalf of the corporation. Rather, Question 14 must be read in conjunction with Section 3-7 of the Uniform Penalty and Interest Act, 35 ILCS 735/3-7, which states, in part, the following:

"(a) Any officer or employee of any taxpayer subject to the provisions of a tax Act administered by the Department who has the control, supervision or responsibility of filing returns and making payment of the amount of any trust tax imposed in accordance with that Act and who wilfully fails to file the return or make the payment to the Department or wilfully attempts in any other manner to evade or defeat the tax shall be personally liable for a penalty equal to the total amount of tax unpaid by the taxpayer including interest and penalties thereon."

Question 14 simply seeks to identify those persons who are responsible for filing returns and paying taxes. By signing Form NUC-1, these persons do not become personal guarantors of a corporation's tax liability under all circumstances. It is only if those persons are found to have willfully failed to file returns or pay taxes that they can be held personally liable for amounts equal to the tax plus penalties and interest.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte  
Associate Counsel

GR:msk

Enc.